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Box 43

Joplin, Missouri

**Mr. Andrew Fletcher, President,
Kansas Explorations, Inc.,
250 Park Avenue,
New York 17, New York.**

Dear Mr. Fletcher:

**I transmit herewith Annual Report of
the Kansas Explorations, Incorporated, for the
year 1948.**

Respectfully submitted,

Ross Blatu

40121195



SUPERFUND RECORDS

010652

ANNUAL REPORT
OF
KANSAS EXPLORATIONS INCORPORATED
JOPLIN MISSOURI
1948

ANNUAL

REPORT

OF

KANSAS EXPLORATIONS, INCORPORATED

YEAR 1948

The operations of the Kansas Explorations, Inc. were carried on continuously at the Buckingham Mine and Snapp Mill from January 1, 1948 until August 20, 1948, after which all mining and milling operations were suspended, and all mining machinery, including pumps and equipment, were removed from the Buckingham Lease and were stored on the Snapp Tract.

During the latter part of 1948, the Snapp Mill operated for a few months on slimes from the settling ponds, but this work was suspended as the cold weather caused this work to be unprofitable.

There were no operations at the Jasper Plant or on the Ritz Tract during the year, 1948.

LIST OF LEASES AND TRACTS OWNED IN FEE
AS OF DECEMBER 31, 1948

NUMBER	NAME	ACRES	STATE	LANDOWNERS ROYALTY
<u>RITZ UNIT</u>				
1012	Ritz	60	Oklahoma	12 $\frac{1}{2}$ %
<u>JASPER UNIT</u>				
Owned in Fee	Jasper	310	Missouri	1% on 160 acres
<u>SNAPP UNIT</u>				
Owned in Fee	Snapp	55	Missouri	0
<u>BUCKINGHAM UNIT</u>				
977	Buckingham	140	Missouri	7 $\frac{1}{2}$ %
1009	Aylor	40	Missouri	7 $\frac{1}{2}$ %
1011	Boyd	80	Missouri	7 $\frac{1}{2}$ %
1013	Marsh	102	Missouri	7 $\frac{1}{2}$ %
	Total	362		
	Total acres	787		

RITZ UNIT
1948

The Ritz Lease is located in Ottawa County, Oklahoma, and contains 60 acres. It carries a 12½% royalty, and is under the control of the Indian Department of the Department of the Interior.

During the month of December, 1948, the Big Chief Tailing Company treated 77,520 tons of the Ritz Tailings and slimes from which they produced 265.510 tons of zinc concentrates and 3.790 tons of lead concentrates. The mill recovery of the tailings treated was 0.343% zinc, and 0.004% lead, making a total of 0.347% zinc and lead concentrates. The Kansas Explorations, Inc. was to receive 25% of the net profits from the treatment of these tailings, but as the grade of the tailings was so low, they were unable to show a profit and the retreatment of the tailings was discontinued after December 31, 1948.

The Company, also, received \$299.98 which was their share of the profits of salvaging the ore which remained on the Ritz Mill site after the fire which destroyed the mill on June 14, 1946.

There were no operations on the Ritz Tract during the year 1948, as we were given an indefinite shutdown permit by the Indian Department.

The Ritz Mine Suspension expense for the year 1948 was \$7,438.78. Miscellaneous other income was \$1,072.55.

SNAPP UNIT
1948

This unit consists of the Snapp fee of 55 acres.

The Snapp Mill was operated from January 1, 1948 until August 20, 1948, treating ores mined from the Buckingham Tract. During the majority of the operating period, the concentrating plant operated 8 hours per day. The days of operation per week varied as to the time required to treat the tonnage mined at the Buckingham Tract.

On August 20, 1948, the Snapp Mill was shut down due to the closing of the Buckingham Mine as all mining operations were suspended after that date.

Miscellaneous Other Income from the year, 1948, was \$6,887.59.

During the month of September, 1948, the Snapp Mill made a test run on ore from the northwestern part of Joplin. The milling test indicated that the ore could not be treated at a profit.

On September 30, 1948, the mill began the retreatment of slimes stored from former operations.

This operation continued until cold weather, when it was thought advisable to discontinue this work until warm weather.

BUCKINGHAM UNIT
1948

All ores mined during 1948 were produced from the Buckingham 140 acre tract, were hoisted at the Number One shaft and were transported by trucks, operating on a contract basis, to the Snapp Mill, a distance of about three miles, where these ores were milled. The mine operated on a 48 hour week basis.

During the months of June, July, and August, the working faces in the mine showed indications of narrowing in width and a reduction in height of the minable ore; and as the headings were so low and narrow, which was also indicated by the surface drilling, it was not possible to produce enough tonnage of ore of a grade to continue profitable operations; therefore, as of August 20, 1948, it was decided to stop all operations, remove all mining and pumping equipment from the mine, and store it at the Snapp Property; as this tract is owned in fee by the Kansas Explorations, Inc.

Throughout the period of operation, a bonus was paid for tonnage produced in excess of an established base. This arrangement proved to be very

successful in maintaining and increasing production per man shift.

During 1948 a total rock tonnage of 53,074 tons was hoisted and 53,287 tons treated in the Snapp concentrating plant. From the tonnage treated, 3,098.245 tons of zinc concentrates and 292.850 tons of lead concentrates were recovered. The entire tonnage of rock treated during 1948 yielded a recovery of 5.81% in the form of zinc concentrates and .55% in the form of lead concentrates, giving a combined recovery of 6.36%.

During the operating period, 10,708 man shifts were employed in operations, each man shift averaging a production of 5.0 rock tons or the equivalent of .317 tons of zinc and lead concentrates. The average operating cost was \$4.220 for each ton of rock or \$67.01 for each ton of zinc and lead concentrates recovered.

On December 31, 1948, the Buckingham had no concentrates in the bins; all of the production for the year 1948 having been sold and loaded. During the year 3098.245 tons of zinc concentrates and 292.850 tons of lead concentrates were sold and loaded from production from the Buckingham Unit. An average gross price per ton (2000 pounds) of \$78.58 for zinc concentrates and \$230.44

for lead concentrates was obtained or an average of \$91.69 per ton. The average royalty paid on zinc and lead concentrates sold and loaded was \$6.88 per ton.

During the operating period, \$3,594.75 was spent at the Buckingham Unit for churn drilling. This was an expenditure of \$.068 for each ton of rock mined and \$1.06 for each ton of concentrates recovered. There was 3,035 feet of churn drilling done on the leases in the Buckingham Unit during the year.

During the operating period in 1948, the operating expenditure for labor and liability insurance was \$136,319.27, for items other than labor and liability insurance was \$87,637.02, or a total of \$223,956.29. The total operating mine profit, Joplin Office, for the year 1948 was \$63,871.77, based on actual sale of concentrates sold and loaded during the year. Miscellaneous other income for the year was \$309.01.

JASPER UNIT
1948

During the month of October, 1948, a contract between the Kansas Explorations, Inc. and the Childress-Murphy Mines, Inc. was entered into for the milling of ores from the Childress-Murphy Mines, Inc. mines located at Galena, Kansas. Their ore was to be delivered to the incline tram hopper at the Jasper Mill, and the Kansas Explorations, Inc. was to mill the ore for \$1.15 per dry ton. We were given assurance that they would be able to deliver a tonnage in excess of 600 tons per day to the Jasper Plant.

Work was begun at once on building an incline tramway and hopper, including the incline approaches, also giving the mill a general overhauling to enable it to treat in excess of 1000 tons of ore each 24 hours. This work was completed at a cost of \$28,479.72, and the mill started milling their ore as of December 1, 1948.

Due to interruptions at the Childress-Murphy Mines and the frequent stops for adjustment of the Jasper Mill, the daily tonnage to the Jasper Mill was below 600 tons during the month of December.

The operating results at the Jasper Mill for
the month of December, 1948, are as follows:

Dry Tons Treated in Mill -	13,740	
Income: 13,740 Dry Tons @		Per Ton
\$1.15 per ton - -	\$15,801.00	\$1.150
Operating Costs -	<u>\$11,567.69</u>	<u>.842</u>
Indicated Profits -	\$ 4,233.31	.308

DARDENNE UNIT
1948

During the year, the title to the life time interest of Abram Dardenne was surrendered to him, and the Kansas Explorations, Inc. is relieved of all further liability and expense in this matter.

OPERATIONS - YEAR 1948

	SNARE UNIT	BUCKINGHAM UNIT	TOTAL
Tons Ore Milled	0	53287	53287
Tons Concentrates Produced:			
Zinc	255.005	3098.245	3353.250
Lead	0	292.850	292.850
Total	255.005	3391.095	3646.100
% Mill Recovery:			
Zinc	0	5.81	5.81
Lead	0	.55	.55
Total	0	6.36	6.36
Operating Income:			
Sale of Concentrates	\$20710.00	\$310934.53	\$331644.53
Less - Royalty	0	23320.10	23320.10
Net Value of Production:			
Amount	20710.00	287614.43	308324.43
Per Ton Rock	0	5.397	5.786
Per Ton Concentrates	81.22	84.81	84.56
Operating Costs:			
Amount	21999.00	223742.66	245741.66
Per Ton Rock	0	4.199	4.612
Per Ton Concentrates	86.27	65.98	67.40
Mine Profit:			
Amount	1289.00	63871.77	62582.77
Per Ton Rock	0	1.198	1.174
Per Ton Concentrates	5.05	18.83	17.16
Miscellaneous Other Income	26.11	509.01	535.12
Total Operating Profit	1262.89	64180.78	62917.69

EMPLOYER'S LIABILITY INSURANCE

EMPLOYER'S LIABILITY
1 9 4 8

During the year 1948, the Kansas Explorations, Inc., carried its own Liability Insurance. A total of 15 lost time accidents occurred during the year, resulting in a total of 529 shifts lost, averaging 35.3 shifts lost per accident and 33.6 shifts lost per 1000 man shifts worked.

The following table shows results of operating as self-insurer during the year 1948:

Amount credited to Reserve Account during 1948 -	\$ 8,138.23
Cost of 1948 accidents, during the year -	6,405.36
Cost during 1948 of injuries which occurred prior to 1948 -	24,724.19
Estimated Liability of unsettled injury claims -	11,421.00

If only 1948 accidents are considered, the shifts lost per 1000 shifts worked was 33.6, but considering shifts lost from 1948 accidents and shifts lost from prior accidents together, the shifts lost per 1000 shifts worked was 72.39. The total shifts lost during 1948 account of injuries was 1141.

LAW SUITS
(Industrial Disease)

During the year 1948, thirteen suits were filed in the District Court, against the Kansas Explorations, Inc., by former

employees, for alleged damages due them on account of contracting occupational disease (silicosis) while employed.

During 1948, compromise settlements were made on 14 cases, at a cost of \$14,129.79. The majority of these cases were filed prior to 1948. Estimated cost of unsettled silicosis cases is \$4,000.00.

The period of time these men had been working in mines in this district varied from 15 years to 3 years, and the period of time they were in the employ of the Kansas Explorations, Inc. varied from 1 year to 5 years.

Following is a record of the yearly cost of settlement of these cases:

Year 1940	\$ 400.00
Year 1941	0
Year 1942	1601.30
Year 1943	115.00
Year 1944	9766.13
Year 1945	15132.27
Year 1946	9495.44
Year 1947	22427.58
Year 1948	<u>14129.79</u>
Total	73067.51

The distribution of the cost of settling these claims are chargeable to the following operations:

Jarrett Mine	\$ 515.00
Ritz Mine	46439.62
Buckingham Mine	7815.00
Jasper Mine	<u>18297.89</u>
Total	73067.51

The funds for settling these cases were paid out of our Reserve for Injury Claims account.

**Total expended from the Reserve Account on both
Injury and Silicosis claims during the year was \$47,171.12.**

Balance in the Reserve Account at 12/31/48 -	\$22,061.85
Balance in the Reserve Account at 12/31/47 -	16,971.04

LEGAL

LAW SUITS
1948

During the year 1948, thirteen suits were filed in the local District Courts by former employees for alleged injury to their health while employed by the Company. Six of these suits were settled out of court at a total cost of \$6,150.00, and eight suits filed prior to 1948 were settled out of court for \$7,375.00.

PORTAL TO PORTAL SUITS
1948

During the year 1948, all suits for damages and back pay filed by employees against the Kansas Explorations, Inc. were dismissed.

GENERAL EXPENDITURES
1 9 4 8

	AMOUNT	PERCENT OF TOTAL
Lease Rentals	\$ 292.00	.09
Capital Expenditures	0	0.
Total	<u>\$ 292.00</u>	<u>.09</u>
 Mining and Milling Costs	 \$257042.51	 76.41
Deferred Mining and Milling Costs	24441.72	7.27
Mine Suspension Expense	51274.95	9.30
Royalties	<u>23320.10</u>	<u>6.93</u>
 GRAND TOTAL	 \$536371.28	 100.00

CURRENT ASSETS AND CURRENT LIABILITIES
as at December 31, 1948

At the close of the year 1948, Current Assets were as follows:

Customers' Accounts Receivable:		
Ozark Smelting and Mining Co.		\$ 4891.83
Customers' Accounts Receivable - Miscellaneous:		
Childress-Murphy Mines, Inc.		15801.00
Other Accounts Receivable:		
Eagle-Picher Mining & Smelting Co.	\$ 889.85	
Ozark Smelting and Mining Co.	8352.81	
American Zinc, Lead & Smelting Co.	5651.41	
Dines Mining Company	75.00	
Supt. Quapaw Indian Agency	26.31	
Verna Wilson, Et al	.46	
Henry K. Hoffman	.24	
Total		11695.28
Warehouse Stocks - Ritz		99.18
Warehouse Stocks - Snapp		1785.49
Warehouse Stocks - Jasper		240.00
Sheepbranch Warehouse Stocks - Snapp		875.49
Sheepbranch Warehouse Stocks - Jasper		2620.82
"Block P" Warehouse Stocks - Snapp		1895.14
"Block P" Warehouse Stocks - Jasper		562.96
Total Current Assets		\$40467.19

At the close of the year 1948, Current Liabilities were as follows:

Vouchers Payable	18063.19
Unpresented Treasury Drafts	11922.90
Unpresented Salary Drafts	1790.09
Unpresented Payroll Drafts	3234.08
Accrued Wages	1496.97
Unclaimed Wages	5789.23
Accrued Unemployment Insurance Taxes	748.15
Accrued and Collected Old Age Benefit Taxes	464.75
Accrued Taxes	7.65
Accrued Royalties	8688.97
Due Employees	18.75
Accrued Charges on Premiums as Self-Insurer	159.40
Total Current Liabilities	\$47584.13

MISCELLANEOUS INCOME**1948**

**Income for the Year 1948, other than from
Concentrate Sales, consisted of the following:**

Discount on Purchases - Snapp	\$ 26.11
Discount on Purchases - Buckingham	291.79
Discount on Purchases - Jasper	163.46
Miscellaneous Other Income	1052.80
Miscellaneous Other Income - Ritz	1072.55
Miscellaneous Other Income - Snapp	6887.59
Miscellaneous Other Income - Buckingham	101.51
Miscellaneous Other Income - Jasper	1032.97
Income from Custom Milling - Snapp	837.80
Income from Custom Milling - Jasper	15801.00
Income from Sale of Sub Lessee Lead - Ritz	145.02
Income from Sale of Sub Lessee Zinc - Ritz	<u>148.96</u>
Total	\$27540.66